

Jacquelynn Ruff
Vice President
International Public Policy & Regulatory Affairs



April 29, 2011

1300 I Street, NW, Suite 400 West
Washington, DC 20005

Phone 202-515-2530

Fax 202-289-7983

Jacquelynn.l.ruff@verizon.com

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Reporting Requirements for U.S. Providers of International
Telecommunications Services, IB Docket No. 04-112**

**Joint Petition for Rulemaking to Further Reform the International
Settlement Policy, RM-11322**

Dear Ms. Dortch:

On April 28, 2011, Katharine Saunders, Leora Hochstein, and I met with Charles Mathias and Jennifer Tatel, legal advisor to Commissioner Baker, in connection with the above-referenced proceedings.

As a general matter, we are pleased to see action on these items given the importance of updating the Commission's policies to better reflect the current status of international telecommunications services. In particular, we discussed our view that, as noted in our February 9, 2005 ex parte presentation, and in our 2004 comments (both attached), eliminating the reporting requirements of Sections 43.61 and 43.82 of the Commission's rules would be in the public interest, consistent with the President's recent encouragement to eliminate regulations that are unnecessary or no longer make sense.¹ These reports and requirements have little use as industry markers given the substantial growth in competition on international routes and competitive alternatives to placing traditional international calls. In addition, these current traffic and circuit reporting requirements are burdensome, requiring collection of data and then substantial manual manipulation into the form requested by the Commission – a form often inconsistent with Verizon's internal needs and data collection systems. We further explained that, to the extent future changes would require the collection or submission of new or different information, those changes could impose additional burdens or re-design of processes that would eliminate any reduction in burden otherwise achieved.

We also expressed support for prompt action by the Commission to remove the International Settlements Policy restrictions that still apply to the small percentage of

¹ See Improving Regulation and Regulatory Review – Executive Order, § 3.7, <http://www.whitehouse.gov/the-press-office/2011/01/18/improving-regulation-and-regulatory-review-executive-order> (Jan. 18, 2011).

Marlene H. Dortch

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international routes remaining, thus extending to all routes the reforms and commercial flexibility adopted in 2004. We noted that while the Commission may have concerns about how to address remaining instances of anticompetitive conduct by foreign carriers, many of these issues may be best resolved government to government, rather than by imposing restrictions on U.S. based carriers that would negatively impact U.S. consumers.

Please do not hesitate to contact me if you have any questions.

Respectfully submitted,

/s/ Jacquelynn Ruff

Jacquelynn Ruff

Attachments

cc: Charles Mathias
Jennifer Tatel

Jacquelynn Ruff
Vice President
International Public Policy &
Regulatory Affairs



1300 I Street, N.W., Floor 400 W
Washington, DC 20005

Phones 202 515-2530
Fax 202 289-7983

February 9, 2005

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Ex Parte Presentation* in Reporting Requirements for U.S. Providers of
International Telecommunications Services (IB Docket No. 04-112)

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission rules, 47 C.F.R. § 1.206, Verizon hereby submits this letter summarizing an *ex parte* presentation by Verizon, AT&T, and Sprint yesterday, February 9, 2005, in the above-referenced docket. Doug Schoenberger, and Jim Talbot from AT&T, David Nall and Marybeth Banks from Sprint, and Leslie Owsley, Jennifer Ullman and I from Verizon met with staff of the International Bureau: Linda Blake, John Copes, Joanne Ekblad, Claudia Fox, Cathy Hsu, David Krech, Susan O'Connell, Mark Uretsky, and Peggy Reitzel.

We discussed the shared views of our companies on the NPRM on Reporting Requirements for U.S. Providers of International Telecommunications Services. The substance of the discussion is set forth in the attachment. Our companies now share the view that it would be in the public interest to eliminate the reporting requirements of Sections 43.61 and 43.82 of the Commission's rules, given the current marketplace and the balance between benefits and burdens of the reporting requirements. Sprint had not previously stated a position on the elimination of all Section 43.61 requirements, and AT&T's positions on these issues now differ from those previously provided in its comments in this docket.

Respectfully submitted,

/s/ Jacquelynn Ruff

Jacquelynn Ruff

cc: Linda Blake
John Copes
Joanne Ekblad
Claudia Fox
Cathy Hsu
David Krech
Susan O'Connell
Peggy Reitzel
Mark Uretsky

**Reporting Requirements for U.S. Providers of International
Telecommunications Services (IB Docket No. 04-112)**

AT&T, Sprint, and Verizon

February 8, 2005

- ✓ The Commission should eliminate the reporting requirements in sections 43.61 and 43.82.
 - The growing competitiveness of the U.S. market and increased liberalization of foreign markets eliminates the need for these reports.
 - Section 43.61 and 43.82 reports now provide insufficient benefits to justify reporting the huge volume of data on an annual basis.
 - U.S. carriers would continue to report international service revenues under FCC Form 499-A, which is how domestic long distance services are reported.

- ✓ If the Commission retains these reports they should be significantly streamlined, and under no circumstances should international reporting requirements be made more burdensome.
 - Devoting increasingly scarce resources to new and unproven regulatory reporting efforts is an uneconomic and unpleasant prospect.

- Several NPRM proposals further the Commission's objective of simplifying international reporting requirements consistent with changes in the international marketplace and should be adopted.
 - Eliminate the current requirement to report number of messages.
 - Eliminate the current requirement to separately report data for off-shore points.
 - Section 43.61 and 43.82 reports should be consolidated into a single report.

- There is agreement among the commenters that proposals for new requirements would be unnecessarily burdensome and require unwarranted changes in reporting systems not commensurate with any regulatory benefit for the competitive international services market. These proposals should not be adopted.
 - Separately reporting retail and wholesale information.
 - Reporting non-route specific revenues.
 - Separate reporting for US carrier country direct/country-beyond services.
 - Separate reporting to divide IMTS traffic between "traditional settlements" and "other" categories.

- The NPRM seeks comment on other potential changes to the reporting requirements.
 - Quarterly traffic and revenue reports for large carriers should be eliminated. (43.61(b))
 - Quarterly reports by switched resale carriers affiliated with dominant carriers should be removed.(43.61(c))
 - Reporting requirements for CMRS providers offering international services via resale should be eliminated. (43.61(a))
 - Carrier-specific circuit status data is competitively sensitive and properly treated as confidential.

- ✓ This docket provides an excellent opportunity for the Commission to modify its reporting requirements to reflect the changes in the international services marketplace. However, the Commission should carefully weigh the benefits of adopting any proposals that require greater and unprecedented detail against the significant burden in terms of staffing and financial resources required by U.S. carriers to gather and analyze the requested data.

**Before the
Federal Communications Commission
Washington, DC 20554**

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| In the Matter of |) | |
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| Reporting Requirements for U.S. Providers of |) | IB Docket No. 04-112 |
| International Telecommunications Services |) | |
| |) | |
| Amendment of Part 43 of the Commission's |) | |
| Rules |) | |
| |) | |

COMMENTS OF VERIZON

Leslie V. Owsley
VERIZON
1515 N. Courthouse Road, Suite 500
Arlington, VA 22201-2909
(703) 351-3158

Counsel for Verizon

July 26, 2004

Nancy J. Victory
Jennifer D. Hindin
Ann E. Broeker
WILEY REIN & FIELDING LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7000

Counsel for Verizon

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THE VERIZON 214 LICENSEES ATTACHMENT A

**Before the
Federal Communications Commission
Washington, DC 20554**

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| Amendment of Part 43 of the Commission's Rules |) | |
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COMMENTS OF VERIZON¹

I. INTRODUCTION AND SUMMARY

The Telecommunications Act of 1996² requires the Commission to eliminate or modify outdated rules that are no longer necessary due to increased competition. The NPRM in this proceeding³ addresses some minor changes to the burdensome Part 43 requirements, but does not propose the sweeping reforms that have become necessary due to competitive growth. While the reforms proposed in the NPRM should be implemented, the deregulatory directive of the 1996 Act and the public interest require that the Commission go further in pruning back the burdensome and unnecessary Part 43 reporting requirements.

The Commission should take prompt steps to eliminate the reporting requirements contained in Sections 43.61 and 43.82 of the Commission's Rules.⁴ These rules are no longer necessary in the public interest given the enormous growth in competition on international

¹ The Verizon 214 Licensees ("Verizon") are subsidiaries of Verizon Communications Inc. holding international Section 214 authorizations, listed in Attachment A.

² Pub. L. No. 104-104, 110 Stat. 56 (1996) ("1996 Act").

³ *Reporting Requirements for U.S. Providers of the International Telecomm. Services; Amendment of Part 43 of the Commissions Rules*, Notice of Proposed Rulemaking, 19 FCC Rcd 6460 (2004) ("NPRM").

⁴ 47 C.F.R. §§ 43.61, 43.82.

routes, the reduced need for the information contained in the reports, and the burden on carriers to produce them and the Commission staff to review them. If, however, the Commission decides to retain the reporting requirements in some form, it should at a minimum go further than the NPRM's proposal and substantially modify these requirements to conform better to today's competitive international marketplace.

II. THE COMMISSION SHOULD ELIMINATE THE UNNECESSARY AND BURDENSOME REPORTING REQUIREMENTS CONTAINED IN SECTIONS 43.61 AND 43.82 OF THE COMMISSION'S RULES

As the Commission and the federal courts, including the Supreme Court, have recognized, the 1996 Act's overarching goals were to "reduce regulation"⁵ and "promote competition in the communications industry."⁶ As part of the statute's deregulatory program, Congress specifically directed that the Commission "shall repeal or modify" any regulation "no longer necessary in the public interest as a result of meaningful economic competition."⁷ In evaluating particular regulations, the Commission must, as it has acknowledged and as the D.C. Circuit has affirmed, "reevaluate rules in light of current competitive market conditions."⁸

⁵ *Reno v. ACLU*, 521 U.S. 844, 857-58 (1997); *see, e.g., 2000 Biennial Regulatory Review; Policy And Rules Concerning The International, Interexchange Marketplace*, Notice of Proposed Rulemaking, 15 FCC Rcd 20008, 20010 (2000).

⁶ *2002 Biennial Regulatory Review*, Report, 18 FCC Rcd 4726, 4727 (2003) ("2002 Biennial Review Report"); *see, e.g., United States Telecom Ass'n v. FCC*, 359 F.3d 554, 561 (D.C. Cir. 2004) ("USTA II"); *see also Verizon Communications, Inc. v. FCC*, 535 U.S. 467, 502-03 n.20 (2002) (noting the "deregulatory and competitive purposes of the [1996] Act"); H.R. Conf. Rep. No. 104-458, at 113 (1996), *reprinted in* 1996 U.S.C.C.A.N. 124, 124 (explaining that the purpose of the Telecommunications Act is "to provide for a pro-competitive, deregulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services . . . by opening all telecommunications markets to competition").

⁷ 47 U.S.C. § 161.

⁸ *2002 Biennial Review Report*, at 4735 ; *Cellco P'ship v. FCC*, 357 F.3d 88, 98 (D.C. Cir. 2004); *see also 1998 Biennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, 15 FCC Rcd 11058, 11151 (2000) (Separate Statement of Commissioner Michael Powell) ("I start with the proposition that the rules are *no longer necessary* and demand that *the Commission* justify their continued validity.") (emphasis added).

Under the statute, once the Commission determines that a rule is "no longer necessary in the public interest" based upon competitive developments, repeal or modification must follow.⁹

The international reporting requirements contained in Sections 43.61 and 43.82 are precisely the types of rules the Congress intended for the Commission to repeal or modify as part of its biennial review activities. Just this year, in reviewing other aspects of its international policies, the Commission explicitly recognized the increasing competitiveness of the U.S.-international telecommunications market. In its *2004 ISP Reform Order*, the Commission stated that, since it last reviewed the International Settlements Policy ("ISP") in 1999, there has developed increased participation and "competition in the U.S.-international marketplace, decrease[d] settlement and end-user rates, and growing liberalization and privatization in foreign markets."¹⁰ As explained below, the presence of these three developments— increased competition on the United States side of international calls, reduced settlement and end-user rates and increased liberalization on the foreign side of international calls—supports elimination of the Commission's information collection requirements for the international telecommunications industry contained in Sections 43.61 and 43.82.

As an initial matter, "meaningful economic competition" is plainly present in the international marketplace. There are at least three major, global competitors in this sector.¹¹ These major competitors increasingly face competition from new entrants, including the Bell

⁹ 47 U.S.C. § 161(b); see *Cellco*, 357 F.3d at 94 (the 1996 Act mandates that the Commission identify rules that are no longer necessary "followed by their repeal or modification").

¹⁰ *International Settlements Policy Reform; International Settlement Rates*, First Report and Order, 19 FCC 5709, 5710 (2004) ("*2004 ISP Reform Order*").

¹¹ These include AT&T, MCI (formerly WorldCom, Inc.), and Sprint, who together had nearly 70 percent of the total billed revenues for international telephone service in 2002. See FCC, 2002 INTERNATIONAL TRAFFIC DATA, at 35 (March 31 2004) ("*2002 International Telecommunications Data*").

Operating Companies and others.¹² Indeed, the Commission has issued over 1,600 new 214 licenses since 2001. And there are currently more than 4,800 Section 214 authorizations outstanding for the provision of international service.

Settlement rates have also decreased dramatically since 1997, even as minutes have increased. The net settlement payments from U.S. carriers to foreign carriers decreased from \$5.4 billion in 1997 to nearly \$3.0 billion in 2002.¹³ During the same period, the number of U.S. billed minutes increased from 22.8 billion to 36.0 billion.¹⁴ In addition, most routes are now benchmark-compliant,¹⁵ indicating that the international telecommunications market has become more competitive by the Commission's own standards.¹⁶

Furthermore, competition has increased on the foreign side of U.S. international routes. Today, 84 WTO members have agreed to liberalize their telecommunications markets.¹⁷ Many have already taken significant market opening steps since their 1997 commitments. These steps have resulted in many more competitors entering such markets, reducing opportunities for anti-competitive conduct and delivering the benefits of competition to consumers.

There is thus no question that today's international telecommunications market is dramatically different from the one that existed when the Commission first adopted the Part 43

¹² The emergence of new international telecommunications entrants is likely due in part to the increase in international service revenue as a percentage of all toll service revenue. In 1975, international telephone service represented less than 5% of the revenues U.S. carriers received from providing long distance service. In 2002, international service accounted for 17% of all overall toll revenues. FCC, TRENDS IN THE TELECOMMUNICATIONS INDUSTRY, (July 2, 2004) ("Trends in the International Telecommunications Industry").

¹³ *Trends in the International Telecommunications Industry*.

¹⁴ *Id.*

¹⁵ *2004 ISP Reform Order* at 5737-38.

¹⁶ *See International Settlement Rates*, Report and Order, 12 FCC Rcd 19806, 19862-63 (1997) ("*Benchmarks Order*") (stating that in "markets where there is fully developed competition, settlement rates will likely be below the benchmarks we adopt in this *Order*").

¹⁷ This is a significant increase since 1997, when there were only 69 signatories.

reporting requirements. Back then, there was less competition in foreign markets, higher accounting rates, and a higher proportion of rates were settled than is the case today. The market conditions that spurred the adoption of the reporting requirements simply no longer exist.

Given these changes, the reports required by Sections 43.61 and 43.82 are no longer necessary to detect market distortions and to protect U.S. carriers from anti-competitive behavior – the original purpose of the information gathered.¹⁸ The Commission adopted Section 43.61(b) because of a concern that liberalizing international simple resale (“ISR”) at that time could lead to competitive distortions in the United States international message telephone service (“IMTS”) market through one-way bypass. Yet, as the Commission properly recognizes in the NPRM,¹⁹ the increased level of competition on international routes has decreased this risk.²⁰ In response, the Commission has already removed its ISR policy on the vast majority of international routes. As a result, the 43.61(b) reports are also no longer necessary. Similarly, the Section 43.61(c) quarterly reports of foreign-affiliated switched resale carriers are no longer necessary to detect possible traffic distortions. Increasingly competitive international markets deter foreign carriers, even those with market power, from engaging in market distortions. Furthermore, the Commission can rely on complaints by competitive carriers, rather than reporting requirements, to signal traffic distortions.

Second, the reporting requirements are not necessary because other Commission policies effectively protect against anti-competitive conduct on international routes, thus obviating the

¹⁸ See 29 F.R. 13816 (Oct. 7, 1964); *Rules for the Filing of International Circuit Status Reports*, Report and Order, 10 FCC Rcd 8605 (1995).

¹⁹ NPRM at 6479-80.

²⁰ The elimination of the ISR policy has also lessened the Commission’s concerns regarding one-way bypass. Traditionally, the Commission was concerned that U.S. outbound traffic would be subject to traditional international settlement arrangements, but that U.S. inbound traffic would not be. NPRM at FN 102. Since the Commission eliminated the ISR policy earlier this year in the *2004 ISP Reform Order*, at 5751, one-way bypass is no longer a concern for U.S. carriers.

need for the Commission to collect information under Sections 43.61 and 43.82 in order to detect such activity. Today, all international routes are subject to the Commission's benchmark rates adopted in 1997.²¹ The requirement that U.S. carriers adhere to these rates minimizes opportunities for anti-competitive conduct by eliminating the ability of foreign carriers to extract excessive profits for terminating U.S. outbound international calls. Moreover, on routes that are not benchmark-compliant and where foreign carriers have market power – the routes where U.S. carriers and consumers would be most likely to suffer from anti-competitive behavior – the Commission has retained its international settlements policy (“ISP”).²² Preservation of the ISP in these targeted circumstances effectively ensures that there is no discriminatory treatment among U.S. carriers.

Third, certain information required to be collected under Sections 43.61 and 43.82 is already submitted to the Commission through other mechanisms. For example, the Commission already gathers annual and quarterly international revenue data through the FCC Forms 499-A and 499-Q as part of its assessment of carrier contributions to the Universal Service Fund and other fee programs. This form instructs carriers to break out international revenues for each revenue source for which data is requested (*e.g.*, monthly fixed wireline, mobile, satellite and long distance private line services). This carrier information is sufficient to provide the Commission with an overall picture of the international telecommunications revenue market and to permit it to compare various carrier data. Similarly, the Commission's assessment of annual

²¹ *Benchmarks Order* at 19862.

²² The Commission has exempted from the ISP only routes that are benchmark-compliant. Therefore, this policy still applies to routes that are not benchmark-compliant. See *2004 ISP Reform Order*, *supra* note 10.

regulatory fees for international bearer circuits should provide the Commission with adequate data regarding the use of circuits, obviating the need for a separate Circuit Status Report.²³

Fourth, much of the actual data collected pursuant to the Sections 43.61 and 43.82 reporting requirements is of limited utility to the Commission and carriers because the delay between the time carriers report the data and when the Commission compiles the reports decreases the data's utility. For instance, the FCC just published the compiled FY 2002 traffic and revenue reports in March 2004.²⁴ In the dynamic, competitive international telecommunications market, such information is already outdated and of limited value by the time it is two years old.

Fifth, the filing requirements are unduly burdensome. In order to complete the reports, carriers must first collect the required data and then manually manipulate it into the form prescribed by the Commission. This is because the Commission often requests information in a manner that is inconsistent with Verizon subsidiaries' internal needs and data collection systems. For instance, some Verizon subsidiaries do not collect revenue, settlement, and net revenue data on a country-by-country basis and must manipulate other forms of computer-generated data to extract this information. Similarly, some subsidiaries do not always maintain circuit data in the format requested by the Commission. The resulting, necessary conversions makes the reporting requirements burdensome.

Finally, there are substantial competitive concerns associated with producing the sensitive market data required by these rules. In a competitive environment, confidential

²³ Wireline and cable network disruption reports should also provide the Commission with adequate data regarding the unanticipated unavailability of circuits. 47 C.F.R. § 63.100. Under this rule, which the FCC adopted in 1992, wireline carriers must report significant service disruptions to the FCC. The Commission recently began a proceeding to update and simplify these outage reports. *New Part 4 of the Commission's Rules Concerning Disruptions to Communications*, Notice of Proposed Rulemaking, 19 FCC 3373 (2004).

²⁴ 2002 *International Telecommunications Data*.

treatment for sensitive market data, such as traffic volumes and revenues, is essential.

Competitors should not be able to use another competitor's sensitive data for marketing purposes. As a result, Verizon has increasingly needed to request confidential treatment for the information it submits. And, there is still a risk such information can be made public under the Freedom of Information Act.

In sum, the Commission should eliminate the requirement for carriers to collect and submit this information.

III. IF THE COMMISSION RETAINS THE REPORTING REQUIREMENTS, IT SHOULD SIGNIFICANTLY STREAMLINE THEM

As explained above, complete elimination of the reporting requirements contained in Sections 43.61 and 43.82 is appropriate and required under the 1996 Act. Nevertheless, if the Commission determines to retain these requirements in some form, it should at a minimum significantly streamline carriers' obligations to collect and submit information. While the streamlining proposals in the Notice should be implemented, the public interest and the mandate of the 1996 Act require that the Commission go further in scaling back this burdensome and unnecessary data collection requirement.

A. Traffic and Revenue Report

The Commission should simplify and clarify the traffic and revenue report if it retains this reporting requirement. First, the Commission should eliminate the requirement that carriers report the number of IMTS calls they handle. As the Commission recognizes in the NPRM, continued collection of this information is unnecessary. Because U.S. carriers pay international carriers based on the number of minutes customers use during overseas calls, the number of calls a carrier handles is not relevant to gauging market share or detecting anti-competitive behavior.

The Commission also should eliminate the requirement to report as international any traffic between a U.S. domestic point and an off-shore U.S. point or between off-shore U.S. points. It is well settled that service between these points is subject to domestic U.S. settlement mechanisms. Thus, international policies and processes do not apply and information about these routes is not relevant to monitoring anti-competitive activity in the international telecommunications market. Moreover, because off-shore U.S. points fall under U.S. jurisdiction, off-shore carriers are regulated by the FCC and customers have access to Commission processes to address any competitive concerns. Further, some of these locations are treated as “states” for purposes of other Commission rules.²⁵ As an example, traffic between the continental U.S. and off-shore U.S. points is considered domestic traffic for purposes of assessing Universal Service Fund contributions.²⁶ As a result, reporting U.S. offshore point traffic as international for purposes of Sections 43.61 and 43.82 is confusing and unnecessary; elimination of reporting for these routes would simplify the reporting requirements.

The Commission should also adopt the NPRM’s recommendations (1) to eliminate the use of 12 separate billing codes as set out in the *Section 43.61 Filing Manual*; (2) to implement the Proposed Schedules for simplifying reporting of traffic and revenue and circuit information as explained in Schedule C; and (3) to change the format in which the reports are filed. These changes would simplify the reporting process and reduce the time required to collect data and manually process information required for reporting purposes, particularly for carriers with relatively small volumes of international traffic. For instance, the Proposed Schedules would

²⁵ In this regard, eliminating these routes from the international data collection requirements would help to remove substantial confusion as these routes are currently treated as international for some purposes but not for others.

²⁶ *Instructions to the Telecommunications Reporting Worksheet, FCC Form 499-A*, page 4 at <http://www.fcc.gov/formpage.html>.

eliminate reporting of categories, such as Regional Summary Totals and country-by-country revenue totals, that carriers do not track for internal business purposes.

B. Quarterly Large Carrier Report

The Commission should eliminate the requirement for large carriers to file traffic and revenue data on a quarterly basis. There is no basis for subjecting carriers to the burden of quarterly submissions. As discussed above, in today's competitive environment there is limited need for the information collected by the annual reports. The Commission does not need quarterly reports to detect market distortions. Instead, the Commission should rely on private complaints to alert it to potential market distortions.

C. Quarterly Reports of Foreign-Affiliated Switched Resale Carriers

The Commission should eliminate the requirement for quarterly reports of foreign-affiliated switched resale carriers. The annual reports provide the Commission with more than sufficient data to monitor market competitiveness; quarterly submissions are wholly unnecessary. This is particularly the case since the Commission can rely on private complaints to notify it of market distortions.

The elimination of quarterly reports of switched resale carriers is also fully justified for the same reasons underlying the Commission's recent elimination of the quarterly filing requirement for CMRS carriers.²⁷ There, the Commission concluded that CMRS carriers did not possess the market share necessary to effectively distort competition in the U.S. market. Similarly, individual switched resellers do not possess the market power to distort competition on international routes. Thus, like CMRS carriers, switched resellers should be exempt from the requirement to file Section 43.61(c) quarterly reports.

²⁷ 2000 Biennial Regulatory Review Order; Amendment of Parts 43 and 63 of the Commission's Rules, Report and Order, 17 FCC 11416, 11429 (2002).

D. Circuit-Status Reports

As discussed above, the Commission should eliminate the requirement for carriers to file Circuit-Status Reports. If the Commission nevertheless decides to retain this reporting requirement, it should implement its proposal to exclude from the requirement circuits used for service between the continental United States and off-shore U.S. points or between off-shore U.S. points. These routes are not international routes but rather wholly subject to the Commission's jurisdiction.

E. Miscellaneous Issues

The Commission should consolidate the filing manuals for Sections 43.61 and 43.82. Given their different layouts and definitions, combining the manuals would alleviate confusion and simplify the reporting process.

Further, the Commission should take the opportunity to make the manual more useful. The Commission should ensure that the consolidated manual clearly describes all relevant reporting requirements²⁸ and addresses all current service categories. In addition, the manual should incorporate the FCC International Points document.²⁹ Finally, it is essential that the manual be kept up-to-date. The manual should be periodically reviewed and updated to ensure its ongoing usefulness.

If the Commission determines to eliminate the Section 43.61 and 43.82 reporting requirements completely, a transition period is unnecessary. However, if the Commission were to modify the rules so as to change the nature of the information requested or significantly alter

²⁸ For example, a carrier filing a 63.10(c) report must reference the *43.61 Filing Manual* for directions. But, the manual itself is not clear about how it applies to the 63.10 reports, requiring carriers to refer to Section 63.10 itself for further guidance.

²⁹ FCC, INDUSTRY ANALYSIS, INTERNATIONAL POINTS USED FOR FCC REPORTING PURPOSES (April 4, 1996).

the form in which it is submitted, a short transition period may be required to enable carriers to educate their personnel and update their reporting systems to gather and produce the information as required. For instance, if the Commission changes the units of measurement required for some reports, carriers would need time to change their current data collection and reporting systems. Similarly, if the Commission eliminates off-shore reporting requirements, it will take some time to implement the system changes needed to eliminate the inclusion of these points in the data collected. The Commission should provide a transition period of one year in these cases.

IV. CONCLUSION

For the foregoing reasons, the Commission should repeal the Section 43.61 and 43.82 reporting requirements in their entirety. If the Commission chooses to retain the reports, at a minimum it should simplify and streamline the reporting requirements.

Respectfully submitted,

VERIZON

By: /s/ Nancy J. Victory
Nancy J. Victory
Jennifer D. Hindin
Ann E. Broeker
WILEY REIN & FIELDING LLP
1776 K Street, NW
Washington, DC 20006
(202) 719-7000

Leslie V. Owsley
VERIZON
1515 N. Courthouse Road, Suite 500
Arlington, VA 22201-2909
(703) 351-3158

Counsel for Verizon

Counsel for Verizon

July 26, 2004

ATTACHMENT A

THE VERIZON 214 LICENSEES

The Verizon 214 Licensees ("Verizon") are various subsidiaries of Verizon Communications Inc. holding international Section 214 authorizations. These are:

Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance
Codetel International Communications Incorporated
GTE Pacifica Incorporated d/b/a Verizon Pacifica
NYNEX Long Distance Company d/b/a Verizon Enterprise Solutions
Verizon Airfone Inc. (formerly GTE Airfone Incorporated)
Verizon Global Solutions Inc.
Verizon Hawaii International Inc.
Verizon Select Services Inc.